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MEMORANDUM FOR: Assistant Deputy Director (Administration)

FROM

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02.00m

TO NO.

: Chief of Procurement and Supply

SUBJECT

Government Owned Buildings

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1. Relative to your memorandum dated 9 February 1953, the matter of amortizing the value of Government constructed buildings against rent for the leased premises at been reviewed and negatively resolved.

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2. This matter is identical with the problem of the Government constructed warehouse on the lessed premises at which was referred to the Comptroller General in 1947 and resulted in a decision to the effect that such amortization arrangements would be disposing of Government owned property, which Congress alone has the power to do under Article IV, Section 3, Clause 2, of the Constitution. Accordingly, no Government agency can dispose of Government owned property unless authorised by statute to take such action.

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- 3. The Federal Property and Administrative Services Act of 1949 grants authority to the General Services Administration to dispose of Government owned property that is surplus to the needs of all Federal Agencies. It is apparent that in order for property to be within the purview of the above statute, it must be surplus to the needs and responsibilities of the declaring agency. The herein referred to Comptroller General's decision stated that property may not arbitrarily be classified as surplus merely to bring it within the provision of a statute authorizing the disposal of surplus property.
- 4. Further, assuming that amortization could be arranged, it appears that such would, in effect, be augmenting an appropriation which is prohibited by law; with the possible solution, however, that the rental involved would have to be returned to the miscellaneous receipts of the Treasury.
- 5. In view of the above, the Lessor will not be approached on this matter. Prior to termination of occupancy of premises by matters of restoring the leased premises and disposal of the Government owned buildings will be referred to the General Services Administration for proper action.

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DO/A Set: Bldgo, Groundo.

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JAMES A. GARRISON
Approved For Release 1999/08/27: CIA-ROP78-04718A000600270002-6
concurred in BY:

Office of General Counsel

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